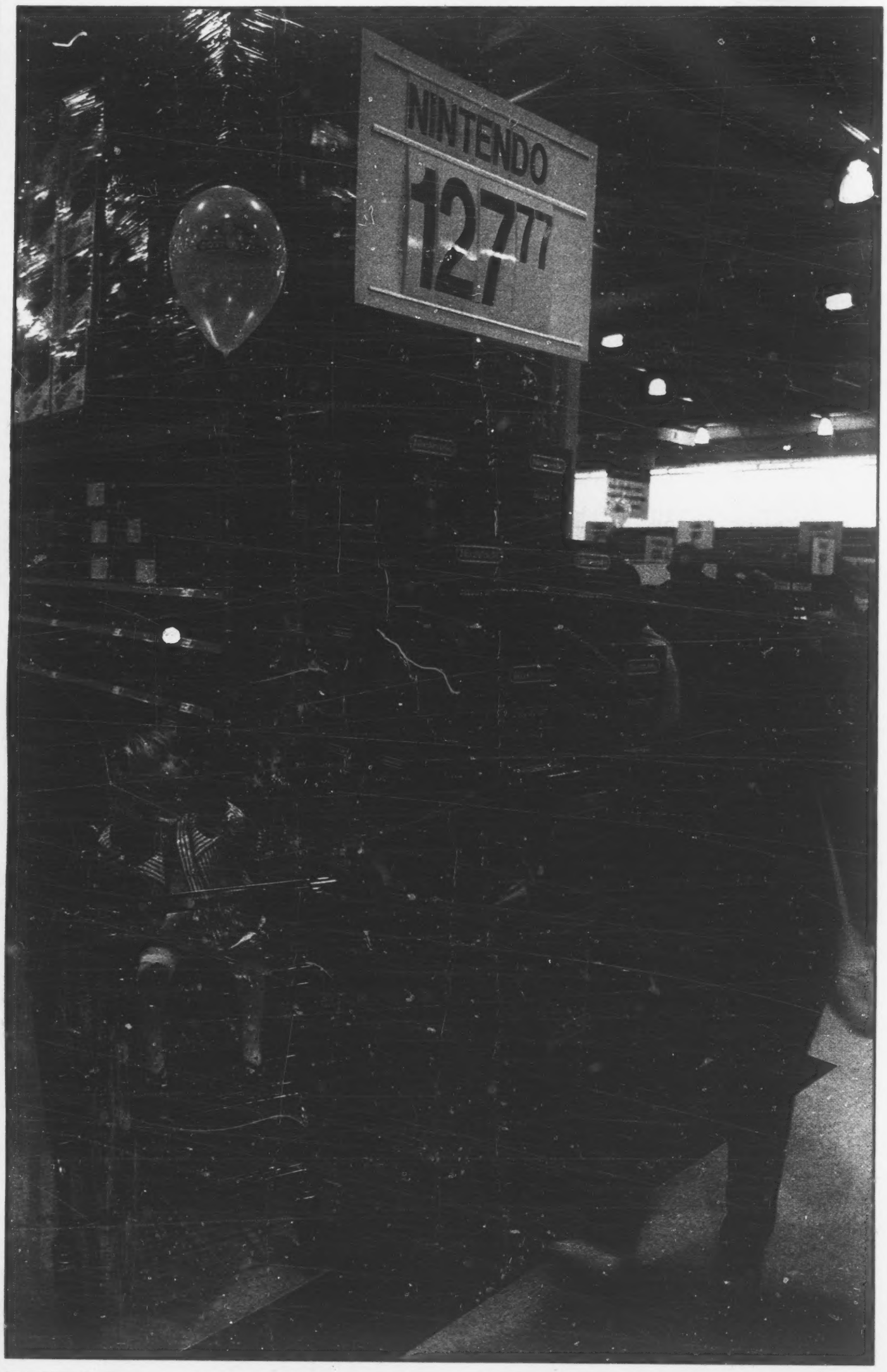
DSN PMA PRODUCT MOVEMENT AUDIT



Distributors Rank 1987 Top Selling Products, Trends

By Mary Ellen Kelly
Nationwide DSN Report

What do Nintendo video games, Pictionary board games and Marlin rifles have in common?

These discount store products were the three top selling items in the toys, sporting goods, stationery, and health and beauty aids departments during 1987.

DSN's 14th annual Product Movement Audit asked leading distributors of toys, sporting goods, stationery, health and beauty aids, and ethnic health and beauty aids merchandise to rank their volume leaders during the 1987 calendar year, and asked them which products they expect to top the charts during 1988.

In This Section

Health & Beauty Aids	37
Ethnic Health & Beauty Aids	43
Stationery	45
Toys	48
Sporting Goods	50

Some highlights from the distributors' view:

- The stationery industry is enjoying strong sales of higher ticket merchandise due to two factors: the continued development of the home office segment—which accounted for nearly 30 percent of sales volume during 1987—and the steady infusion of fashion colors.
- In contrast to trade-up trends in stationery, toy shoppers told the industry through their purchases that games priced at $100 or above were—with very few exceptions—no longer going to fit within their budgetary constraints.

It appears that 1988 sales could be flat unless current best sellers by vendors like Coleco and Fisher-Price, at or near the $40 price, maintain present high sales levels.

- The decline in indoor games was to some extent replaced by outdoor games. Sporting good departments, which had been in the doldrums since the fall-off of exercise equipment during the early '80s, experienced a turnaround in 1987.
- Discounters will need to be even sharper on prices in the health and beauty aids department if they are to effectively contend with the assault of deep discount drug stores in major metropolitan areas.

Competitive changes among vying H&BA manufacturers will drive prices down in several product segments such as feminine hygiene. Sales volume in the eye care segment continued to escalate during 1987 and will rise steadily this year, due to the rising population of contact lens wearers.

The 8 percent growth rate experienced in ethnic health and beauty aids in 1987 and the projected 8 percent to 10 percent sales increase in 1988 will come from no-lye relaxers and grooming formulas such as gels, sheens and holding sprays, created for straight ethnic hair fashions.

Top Selling Products at Discounters

Product	Total Unit Sales	Average Retail	Total Dollar Sales
Toys			
Nintendo Control Deck	40,000	$ 79.99	$3,199,600
Games Gang Pictionary	110,000	22.99	2,528,900
Hasbro G.I. Joe Figures	304,000	2.99	908,960
Health & Beauty Aids			
Listerine Antiseptic, 32-oz.	225,300	3.79	853,887
Bausch & Lomb Sensitive Eye Saline, 12-oz.	310,032	2.39	740,976
Tampax Super Tampons, 40-ct.	136,807	3.69	504,818
Stationery			
Esselte Hanging File Folder System 18559	22,373	9.87	220,822
Sentry Fire Safe No. 1100	8,758	23.69	207,477
Filler Paper Wide 200-Count 10200	278,625	0.69	192,251

Product	Total Unit Sales	Average Retail	Total Dollar Sales
Sporting Goods			
Marlin Rifle with Scope, #605	17,500	$ 79.99	$1,399,825
Ruger 22 Caliber Rifle, 10/22	9,000	119.99	1,079,910
Remington 870 Express Shotgun	5,200	179.99	935,948
Ethnic Health & Beauty Aids			
Worlds of Curls Gel, regular, 6-oz.	333,933	3.32	1,108,658
Lustrasilk Right On Curl Liquid, normal	337,817	3.19	1,077,636
Worlds of Curls Gel, extra dry, 6-oz.	252,843	3.32	839,439

Nintendo bumped Teddy Ruxpin as the top toy and Esselte hanging file folders usurped Mead filler paper as the top stationery mover. Leading distributors across the country told DSN that these were some of the changes that took place among the sales volume leaders between 1986 and 1987. Projections on which items will be this year's top performers are included in the articles that follow.

Source: Leading distributors

Health and Beauty Aids Expected to Post 7% Sales Gains in '88

EYE CARE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Bausch & Lomb Sensitive Eyes Saline 12-oz	310,032	2.39	740,976
2	Soflens Cleaning Tablets 24-ct	40,565	6.97	282,738
3	A O Sept 8-oz	51,128	5.29	270,467
4	Allergan Cleaning & Disinfect Sol 8-oz	31,559	5.99	189,038
5	Bausch & Lomb Sensitive Cleaner 1-oz	43,856	4.28	187,704
6	Soflens Cleaning Tablets 12-ct	29,672	5.49	162,899
7	Pliagel Cleaning Solution 25 ml	36,934	4.19	154,753
8	Soflens Cleaning Tablets 48-ct	11,691	12.97	151,632
9	Bausch & Lomb Disinfect Solution 12-oz	28,371	5.29	150,083
10	Boston Conditioning Solution 4-oz	26,601	5.49	140,719
11	Bausch & Lomb Saline Solution 12-oz	64,036	2.39	140,239
12	Lens Plus Saline Solution 8-oz	31,825	4.28	136,211
13	Bausch & Lomb Daily Cleaner 1.5-oz	31,803	4.28	136,117
14	Lensept Disinfecting Solution 8-oz	26,606	4.79	127,443
15	Bausch & Lomb Sens Eyes Saline 8-oz	45,163	1.89	85,358

INCONTINENCE PRODUCTS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Depend Extra Absorbent 30-ct	8,843	17.97	158,909
2	Depend Regular Absorbent 36-ct	5,297	17.97	95,187
3	Depend Reg Absorbent Undergarment 12-ct	10,095	6.87	69,353
4	Depend Extra Absorbent 10-ct	4,893	6.87	33,615
5	Attends Undergarment Super 10-ct	1,920	6.87	13,190
6	Attends Briefs Medium 10-ct	1,410	7.97	11,238
7	Depend Briefs Regular 24-ct	590	16.97	10,012
8	Attends Undergarment Regular 10-ct	1,626	5.97	9,707
9	Surety Extra Absorbent Undergarment 10-ct	1,596	5.47	8,730
10	Depend Shields Extra Absorbent 12-ct	1,251	5.67	7,093
11	Surety Extra Large Underpad 20-ct	1,086	6.47	7,026
12	Depend Briefs Large 18-ct	374	16.97	6,347
13	Attends Briefs Small 10-ct	914	6.47	5,914
14	Serenity Super 10-ct	984	5.97	5,874
15	Serenity Super 30-ct	316	16.97	5,363

FEMININE HYGIENE

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Tampax Super 40-ct	136,807	3.69	504,818
2	Stayfree Maxipad Super 30-ct	97,271	4.29	417,293
3	Tampax Regular 40-ct	110,758	3.69	408,697
4	Tampax Super Plus 40-ct	87,612	3.69	323,288
5	Tampax Slender Regular 40-ct	75,740	3.69	279,481
6	Always Night Maxi 26-ct	42,628	4.29	182,874
7	Carefree Panty Shield Regular 26-ct	76,687	2.19	167,945
8	Always Plus Thin Super Maxi 26-ct	38,525	4.29	165,272
9	Always Plus Maxi 26-ct	38,525	4.29	165,272
10	Playtex Deodorant Tampon Regular 28-ct	37,829	4.29	162,286
11	Always Thin Maxi Pads 30-ct	36,964	4.29	158,576
12	Always Maxi Pads 30-ct	36,538	4.29	156,748
13	Sure & Natural Maxi Shields 30-ct	36,102	4.29	154,878
14	Playtex Deodorant Tampon Super 28-ct	33,435	4.29	143,436
15	Always Deodorant Maxi Pad 30-ct	32,956	4.29	141,381

MOUTHWASHES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Listerine Antiseptic 32-oz	225,300	3.79	853,887
2	Scope 24-oz	98,000	3.29	322,420
3	Scope 40-oz	58,500	4.89	286,065
4	Listerine Antiseptic 18-oz	60,789	2.99	181,759
5	Listerine Antiseptic 24-oz	51,312	3.39	173,948
6	Scope 32-oz	39,223	4.39	172,189
7	Scope Peppermint 24-oz	51,891	3.29	170,721
8	Plax Antiseptic Plaque Dental Rinse 16-oz	47,566	2.99	142,222
9	Scope Peppermint 40-oz	23,498	4.89	114,905
10	Listerine Antiseptic 6-oz	57,551	1.89	108,771
11	Scope Family 18-oz	35,180	2.99	105,188
12	Listerine Antiseptic 23-oz	38,710	2.49	96,388
13	Scope Peppermint 32-oz	21,529	4.39	94,512
14	Scope Peppermint 18-oz	30,003	2.99	89,709
15	Listermint 32-oz	19,476	3.99	77,709

TOOTHPASTES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Crest Tartar Control Toothpaste 6.4-oz	201,069	1.89	380,020
2	Aqua Fresh Toothpaste 6.4-oz	175,300	1.89	331,317
3	Crest Tartar Control Gel 6.4-oz	166,612	1.89	314,897
4	Crest Regular Toothpaste 6.4-oz	161,160	1.89	304,592
5	Crest Mint Toothpaste 6.4-oz	118,642	1.89	224,233
6	Crest Toothpaste Gel 6.4-oz	100,155	1.89	189,293
7	Colgate Dental Cream Family 7-oz	123,100	1.89	187,112
8	Colgate Tartar Regular 6.4-oz	82,618	1.89	156,148
9	Colgate Gel Toothpaste 6.4-oz	72,067	1.89	136,206
10	Crest Tartar Gel Pump 4.6-oz	74,436	1.79	133,240
11	Colgate Tartar Gel 6.4-oz	69,543	1.89	131,436
12	Crest Pump Tartar 4.6-oz	71,052	1.79	127,183
13	Crest Tartar Pump Gel 6.4-oz	50,623	2.49	126,051
14	Crest Toothpaste Pump Tartar 6.4-oz	47,133	2.49	117,361
15	Crest Tartar Control Toothpaste 4.6-oz	72,043	1.49	107,344

MOUSSE/HAIR FIXATIVES

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Clairol Extra Control Mousse 6-oz	48,398	1.69	81,793
2	Aqua Net Styling Gel 8-oz	59,127	1.29	76,274
3	White Rain Mousse Extra Body 5-oz	50,685	1.49	75,521
4	Suave Extra Control Mousse 5-oz	42,961	1.69	72,604
5	Alberto Mousse Extra Control 5.5-oz	18,764	3.49	65,486
6	Alberto Sculpting Spray 8-oz	17,177	3.49	59,948
7	Aqua Net Mousse 5-oz	45,874	1.29	59,177
8	Dep Styling Gel Super w/P 8-oz	22,169	2.49	55,20
9	Dippity-Do Extra Hold 8-oz	18,576	2.89	53,685
10	Perma Soft Mousse Extra Control 5.5-oz	18,247	2.89	52,734
11	White Rain Mousse Regular 5-oz	33,685	1.49	50,191
12	Clairol Mousse Normal 6-oz	26,661	1.69	45,057
13	Vidal Sassoon Mouse Full Body 8-oz	12,522	3.59	44,954
14	Jheri Redding Design Spritz Spray 8-oz	17,571	2.49	43,752
15	Suave Mousse Soft Control 5-oz	24,961	1.69	42,184

SHAMPOOS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Head & Shoulders Norm/Oily Lotion 15-oz	118,467	3.99	472,683
2	Pert Plus Normal 15-oz	76,931	3.69	283,875
3	White Rain Extra Body 18-oz	132,638	1.49	197,631
4	Head & Shoulders Norm/Dry Lotion 15-oz	45,172	3.99	180,236
5	White Rain Regular 18-oz	109,070	1.49	162,514
6	Head & Shoulders Norm/Oily Lotion 11-oz	45,362	3.49	158,313
7	Pert Plus Extra Body 15-oz	39,834	3.69	146,987
8	Pert Plus Oily 15-oz	37,909	3.69	139,884
9	Pert Plus Dry 15-oz	33,609	3.69	124,017
10	Perma Soft Dry 16-oz	31,483	3.89	122,469
11	Perma Soft Regular 16-oz	31,054	3.89	120,800
12	Prell Normal/Oily Liquid 16-oz	32,261	3.69	119,043
13	Head & Shoulders Norm/Dry Lotion 11-oz	34,109	3.49	119,040
14	Prell Normal/Dry Liquid 16-oz	30,867	3.69	113,899
15	White Rain Conditioning Shampoo 18-oz	74,917	1.49	111,626

BLADES & RAZORS

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
1	Atra Cartridge 10-ct	89,762	4.89	438,936
2	Gillette Trac II Cartridge 10-ct	45,754	4.89	223,737
3	Atra Cartridge 5-ct	78,543	2.69	211,281
4	Atra Plus 5-ct	70,741	2.69	190,293
5	Good News Razor 5-ct	88,312	1.59	140,416
6	Gillette Trac II Cartridge 5-ct	46,714	2.69	125,661
7	Good News Razor 10-ct	48,120	2.59	124,631
8	Atra Plus Cartridge 10-ct	23,023	4.89	112,582
9	Gillette Super Double Edge 10-ct	27,656	3.99	110,347
10	Schick Platinum Injector 60 7-ct	31,276	3.49	109,153
11	Good News Pivot Razor 10-ct	39,244	2.59	101,642
12	Schick II Twin Cartridge 9-ct	20,189	4.89	98,724
13	Personal Touch Refill Cartridge 4-ct	37,486	2.59	97,089
14	Good News Plus 5-ct	58,678	1.59	93,298
15	Bic Shaver Regular 10-ct	67,410	1.29	86,959

Source: Boston Distributors, Maple Heights, Ohio, for January through December 1987. The company supplies 1,400 stores, including 1,000 discount stores, in the Northeast. Average retail prices reflect typical price points for mass merchandisers.

By Charles Bowlus
Executive VP, Sales
Boston Distributors

Health and beauty aid sales are expected to show a 5 percent to 7 percent growth in 1988, led by eye care, deodorant, incontinence, mouthwash and sanitary protection segments. Full-line discounters' share of business slipped 0.2 percent in 1987 due to inroads made by deep discounters which now represent almost 5 percent of the $28 billion H&BA market.

Sales at Boston Distributors grew 22 percent in 1987, with the eye care category leading the growth with a 32 percent gain over 1986 numbers. Salines, with 38 percent of category sales, enjoyed a 35 percent gain due to a dramatic reduction in retail pricing on the liquids and the continued surge of aerosols.

Bausch & Lomb's Sensitive Eyes Saline led the saline segment and the overall category due to the company's price reduction strategy. Aerosols leaped to almost one-third of all saline sales because of the success of Allergan's Lens Plus brand which jumped to our No. 12 spot on our product movement audit.

Sales at Boston Distributors grew 22 percent in 1987, with the eye care category leading the growth with a 32 percent gain over 1986 numbers.

The greatest shift in the eye care category is taking place in the disinfection segment. Chemicals have gained over 55 percent of the business. Hydrogen peroxide systems, which represent 70 percent of the chemical business, continue to gain in popularity with Ciba's A-O Sept, the dominant formula. Bausch & Lomb's Reun brand will cut into the chemical segment next year with a mild formula that does not irritate or sting eyes.

In 1988, we will see continued dramatic growth in eye care due to the significant number of new users in the market (over 3 million are expected). We are recommending that retailers devote 8 feet to the category and that eye care items be represented in every advertisement. In-store promotion of salines, both liquids and aerosols, are also suggested on an ongoing basis, as deep-cut deals ensure strong sales and profitability.

The biggest opportunity for retailers is to avoid the out-of-stocks which most stores are experiencing by giving enough space to the major players. Adequate space can be made by limiting the exposure given to takeoffs, and by the deletion of the regular formulation of salines and daily cleaners.

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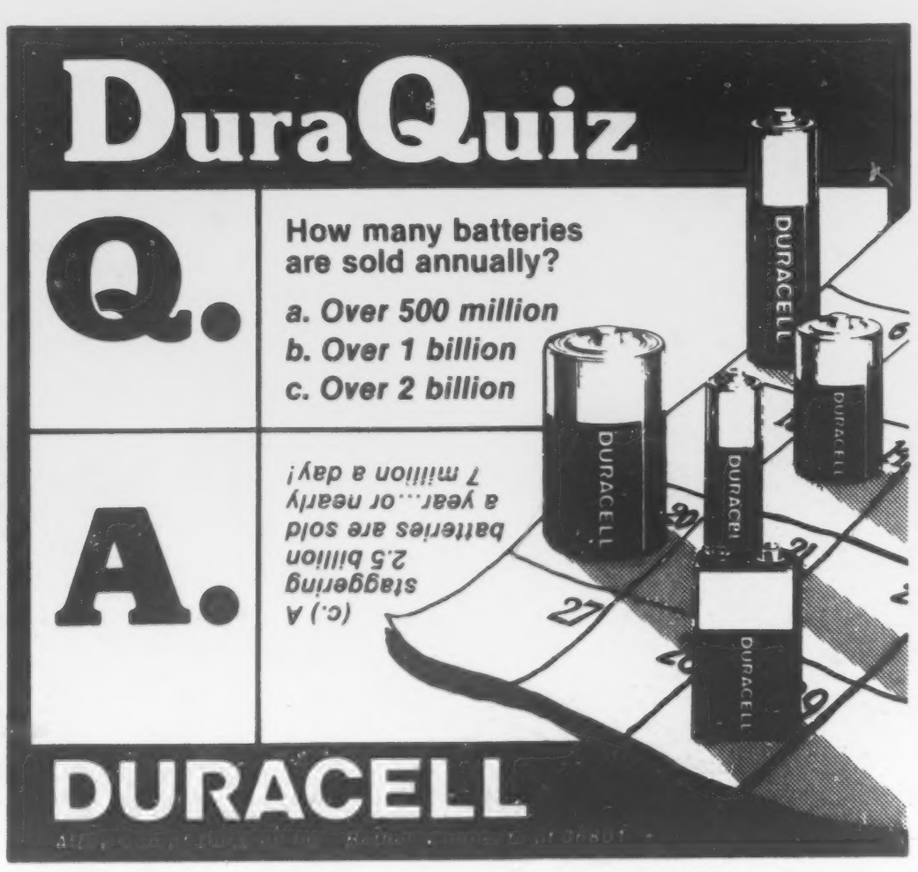
DuraQuiz
Q.
How many batteries are sold annually?
a. Over 500 million
b. Over 1 billion
c. Over 2 billion
A.
(c.) A staggering 2.5 billion batteries are sold a year...or nearly 7 million a day!
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HEALTH & BEAUTY AIDS: PRODUCT MOVEMENT AUDIT

Health and Beauty Aids Expected to Post 7% Sales Gains in '88

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	COLD PRODUCTS			
1	Alka Seltzer Plus 36-ct	52,058	4.19	218,123
2	Nyquil Nighttime Medicine 10-oz	31,845	5.97	190,115
3	Alka Seltzer Plus 20-ct	65,404	2.89	189,018
4	Sudafed Tablets, 30 mg, 24-ct	59,182	2.89	171,036
5	Nyquil Nighttime Medicine 6-oz	46,124	3.69	170,198
6	Dimetapp Extentabs 12-ct	43,419	3.59	155,874
7	Dimetapp Elixir 4-oz	31,511	3.79	119,427
8	Hall's Mentholyptus Bag 30-ct	98,002	1.19	116,622
9	Comtrex Cold Tablets 24-ct	29,597	3.89	115,132
10	Actifed Decongestant Tablets 24-ct	28,400	3.99	113,316
11	Coricidin D Tablets 24-ct	28,124	3.89	109,402
12	Drixoral 12 Hour SA Tablets 10-ct	27,379	3.88	106,230
13	Afrin Spray 15 cc	26,838	3.79	101,716
14	Contac Caplets 10-ct	28,587	3.49	99,769
15	Dristan Tablets 24-ct	25,115	3.89	97,697
	HAIR SPRAYS			
1	Aqua Net Extra Hold Super 9-oz	204,420	1.19	243,260
2	All Set Gold Extra 20-oz	143,544	1.69	242,539
3	Aqua Net Super 9-oz	203,586	1.19	242,267
4	Aqua Net Regular 9-oz	177,544	1.19	211,277
5	Aqua Net Unscented 9-oz	162,124	1.19	192,928
6	Aqua Net Super Unscented 9-oz	157,348	1.19	187,244
7	White Rain Extra Hold 7.5-oz	117,207	1.49	174,368
8	White Rain Unscented Extra Hold 7.5-oz	91,073	1.49	135,699
9	All Set Blue Firm 20-oz	75,269	2.69	127,205
10	White Rain Regular 7.5-oz	73,240	1.49	109,128
11	All Set Unscented 20-oz	56,864	1.69	96,100
12	Clairmist Extra Hold 8-oz	47,407	1.89	89,599
13	Clairmist Extra Hold Unscented 8-oz	44,724	1.89	84,528
14	White Rain Pump Extra Hold 8-oz	49,395	1.49	73,599
15	Miss Breck Super 7-oz	46,022	1.59	73,175

Source: Boston Distributors, Maple Heights, Ohio, for January through December 1987. The company supplies 1,400 stores, including 1,000 discount stores, in the Northeast.
Average retail prices reflect typical price points for mass merchandisers.

(Continued from page 37)

The proliferation of new sku's being witnessed in the eye care category is also taking place in deodorants as manufacturers make sure they are represented by every conceivable form and flavor.

Deodorant sales were up over 5 percent nationally, primarily due to the quicker use-up rate of solids, the fastest growing segment of the category. Solids now represent 50 percent of deodorant sales. Roll-ons and aerosols have fallen to 25 percent and 22 percent, respectively.

The secret to success in the deodorant category is not to submit to the flurry of line extension introductions which are designed by the manufacturers to maximize the shelf space allocated to its brands. Retailers should back off from scents by manufacturers who are not significant players in a given formulation.

Incontinence products were Boston's leading percentage sales increase category in 1987, with a 68 percent gain over 1986 results. Nationally, incontinence is now a $153 million business, up 37 percent over 1986. The category is expected to reach $800 million by 1995 due to market development and the aging of the baby boomer generation.

Mass merchants' share of this lucrative growth market is presently only 5 percent due to the lack of distribution and the limited space devoted to incontinence products. We are recommending a 4-foot to 8-foot section, depending upon store space available, and the age mix of the retailer's consumers.

The secret to success in the deodorant category is not to submit to the flurry of line extension introductions.

The sanitary protection product movement audit was again led by Tampax, despite the fact that tampons have fallen to less than 36 percent of the total sanitary protection market. Procter & Gamble's Always brand showed significant gains in 1987, placing 6 sku's on the chart.

Always' dry weave lining differentiates it from the rest of the crowd and is the primary reason for its success. In order to protect itself from inroads made by the Always brand, Personal Products will market its Stay Free Maxipad brand with a $2.99 pre-price. Look for Stayfree to launch a dry-weave product similar to Always late in the year.

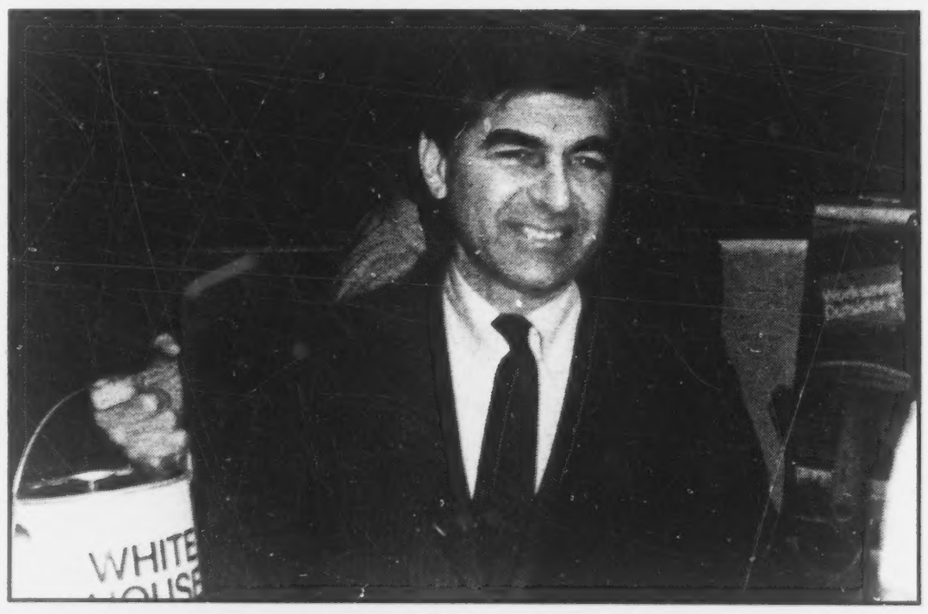
This year's mouthwash product movement audit was again led by Listerine from Warner-Lambert which placed all five sizes on the chart, including the No. 1 spot. Scope, with its successful launch of a peppermint flavor, placed 8 sku's. At this point, however, it appears that most of peppermint's gains have come from Green Scope, not Listerine.

The mouthwash category is experiencing significant change due to the success of Plax, an antiseptic dental rinse which breaks up plaque prior to brushing. Plax jumped from nowhere to No. 7 on the previously impenetrable mouthwash PMA, and has prompted Colgate to launch its own brand into this new growth segment.

Procter & Gamble is also expected to take its Crest brand of tartar rinse out of the test market and roll it out nationally in the near future.

H&BA sales growth in 1988 will arise in categories in which the manufacturer is putting forth a major marketing effort. Retailers that put department emphasis behind these categories will join in the growth.

MANUFACTURER NEWS HARD LINES



CLAREMONT, N.H. — Campaigning presidential candidate Michael Dukakis received a Worksaver paintbrush and a can of "White House Paint" from George Buzuvis, vice president, operations of **American Brush**.

WILLITS, Calif. — **U.S. Leisure**, a producer of outdoor furniture, has cranked up the first phase of an expansion program to increase its domestic capacity to produce resin furniture.

The company has installed four, high-capacity injection molding machines at its Alexandria, Ind., plant, one of 15 domestic plants. It also operates several plants in the Orient. U.S. Leisure will double the work force at Alexandria to use the new machinery.

* * *

RIVER GROVE, Ill. — John Elway, the Denver Bronco quarterback, has signed an agreement with **Wilson Sporting Goods Co.** to join its professional advisory staff and to autograph two new football models. One of the balls will be made of genuine leather, the other is an optic orange synthetic leather model.

* * *

WINSTON-SALEM, N.C. — **R.J. Reynolds**, the tobacco manufacturer based here, announced a promotional trivia contest run in association with its Winston, Salem and Camel Filter cigarette brands. The contest, which started this month and continues through Sept. 30, requires consumers to correctly answer trivia questions included with each pack of the participating brands. The "Millionaire Cash Quiz," contest will award prizes ranging from $2 to $50,000 for correct answers, with winners eligible for a $1 million grand prize drawing.

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Popularity of Straight Hairstyles Sets Sales for Ethnic H&BA

By Tom Hood
Vice President, Sales,
Ben Sheftall Distributing Co.

Ethnic hair care sales, which grew 8 percent during 1987, are expected to rise between 8 percent and 10 percent during 1988, driven by escalating sales of no-lye relaxers, setting gels and oil sheens.

While there has been a drop-off in sales of curl kits and the popularity of the curly style, straight hairstyles have once again become vogue and have stimulated volume of hair preparations formulated to enhance straight styles.

A 10 percent to 15 percent rise in sales of no-lye relaxers and 5 percent to 10 percent growth for styling gels, oil sheens, and hair and scalp conditioners is projected for 1988.

Curl kit sales dropped 12 percent between 1986 and 1987, but curl maintenance items such as curl activators and curl moisturizers have remained constant since these formulas add moisture, and are therefore helpful in adding vitality to dry hair, regardless of whether the hair is worn in straight or curly styles. In fact, the majority of the 25 top dollar movers reported on this product movement audit continue to be curl formulas.

No-lye relaxers, the strongest growth category in ethnic hair care at Ben Sheftall, currently represent 10 percent of the company's ethnic hair care business.

Properly relaxed hair can be worn in many different styles, calling for the use of products such as styling gels, oil sheens, holding sprays and hair dresses. Combined, these maintenance items account for 33 percent of total ethnic hair care sales.

Straight Hair Leaders

Among the leaders in straight hair grooming aids are Lustrasilk Right On Curl Instant Moisturizer and Conditioner, Sta Sof Fro Oil Sheen and Ultra Sheen Conditioner & Hair Dress.

Unit sales of straight hair care formulas are rising. However, retailers face the problem of the relatively lower price points these formulas carry when compared with curl kits.

Retailers will need to either broaden their customer base, or otherwise increase unit volume in order to reap the same gross margin gains.

Growth in Hair Colorings

Hair colorings for the ethnic shopper is another segment of the market experiencing tremendous growth. Nationally, sales are estimated to be climbing $15 million per year. Carson Products, makers of Dark & Lovely, is the market leader by far, however, Soft Sheen and Revlon are making inroads in its dominance.

Hair colors manufactured specifically for the black consumer fill a need that has been long overlooked. Hair colorings formulated for the general market do not bond as well with the hair and do not deliver the true desired color as well as those created with the black user in mind.

While there are reliable, steady sales performers within the ethnic H&BA category, lack of product innovation is causing problems for the retailer.

"Me too" introductions fail to deliver a new customer to the retailer. As a result, retailers must go out of their way to entice the consumer into their stores through the use of promotions and competitive pricing as well as continuing to maintain an in-stock position on popular products.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ETHNIC HEALTH & BEAUTY AIDS			
1	Worlds of Curls Gel, regular, 8 oz.	333,933	3.32	1,108,658
2	Lustrasilk Right On Curl Liquid, normal	337,817	3.19	1,077,636
3	Worlds of Curls Gel, x/dry, 8 oz.	252,843	3.32	839,439
4	Care Free Curl Instant Moist, 8 oz.	277,073	3.61	819,734
5	Care Free Curl Activator, 8 oz.	179,272	3.87	693,783
6	Worlds of Curls Comb Out, regular, 8 oz.	223,851	2.89	646,929
7	Care Free Curl Snap Back, 8 oz.	166,583	3.27	544,726
8	Long Aid Gel Activator, 10.5 oz.	179,801	2.98	535,807
9	Lustrasilk Right On Curl Inst Cond., 8 oz.	157,276	3.36	528,447
10	Worlds of Curls Comb Out, x/dry, 8 oz.	179,329	2.89	518,261
11	Worlds of Curls Gel, regular, 10.2 oz.	123,286	4.04	498,075
12	Lusters S-Curl Activator, 8 oz.	125,052	3.78	472,697
13	Sta Sof Fro Oil Sheen, x/dry, 8 oz.	141,032	3.26	459,764
14	Worlds of Curls Gel, x/dry, 10.2 oz.	111,732	4.04	451,397
15	Long Aid Curl Act. Gel, x/dry, 10.5 oz.	143,652	2.98	428,083
16	Lustrasilk Curly Look Control, 12 oz.	106,435	3.36	357,622
17	Money House Blessing Spray	106,110	2.76	292,864
18	Ultra Sheen Cond. & Hair Dress, 2 oz.	159,507	1.66	264,782
19	Royal Crown Hair Dress, 5 oz.	156,907	1.66	260,466
20	Plastic Caps, 3 each	385,163	0.67	258,059
21	Magic Shave Powder Blue, 5 oz.	200,139	1.23	246,171
22	Murray's Super Hair Pomade, 3 oz.	128,380	1.91	245,206
23	Lusters Moisturizing Oil, 4 oz.	97,449	2.46	239,725
24	Magic Shave Powder Gold, 4.5 oz.	147,679	1.52	224,472
25	Dax Pomade, 7.5 oz.	91,388	2.42	221,159

Source: Ben Sheftall Distributing Co. Inc., Savannah, Ga., for calendar year 1987. The company supplies more than 5,000 stores.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	ETHNIC HEALTH & BEAUTY AIDS			
1	Carefree Curl Moisturizer 16 oz.	48,576	4.99	242,394
2	Dark & Lovely Relaxer Kit	20,783	5.97	124,074
3	Carefree Curl Activator 16 oz.	20,587	5.19	106,847
4	Carefree Curl Moisturizer 12 oz.	20,082	4.39	88,160
5	Carefree Curl Moisturizer 8 oz.	28,936	2.99	86,519
6	Dark & Lovely Plus Relaxer Kit	14,450	5.97	86,266
7	Sof-N-Free Curl Moisturizer 16 oz.	19,555	4.19	81,935
8	Gentle Treatment Relaxer Kit	10,550	6.99	73,745
9	Right-On Moisturizer/Activator Normal 16 oz.	11,319	5.47	61,915
10	Luster S Activator/Moisturizer Regular	11,337	5.39	61,106
11	Carefree Curl Activator 12 oz.	12,883	4.59	59,133
12	Carefree Curl Activator 8 oz.	18,521	3.19	59,082
13	Dark & Lovely Excelle Kit	7,939	6.59	52,318
14	TCB Hair & Scalp Conditioner 8 oz.	17,833	2.39	42,621
15	Luster S Oil Moisturizer 8 oz.	13,024	3.19	41,547

Source: Boston Distributors, Maple Heights, Ohio, for January through December, 1987. The company supplies 1,400 stores, including 1,000 discount stores, in the Northeast, Maine to Florida.

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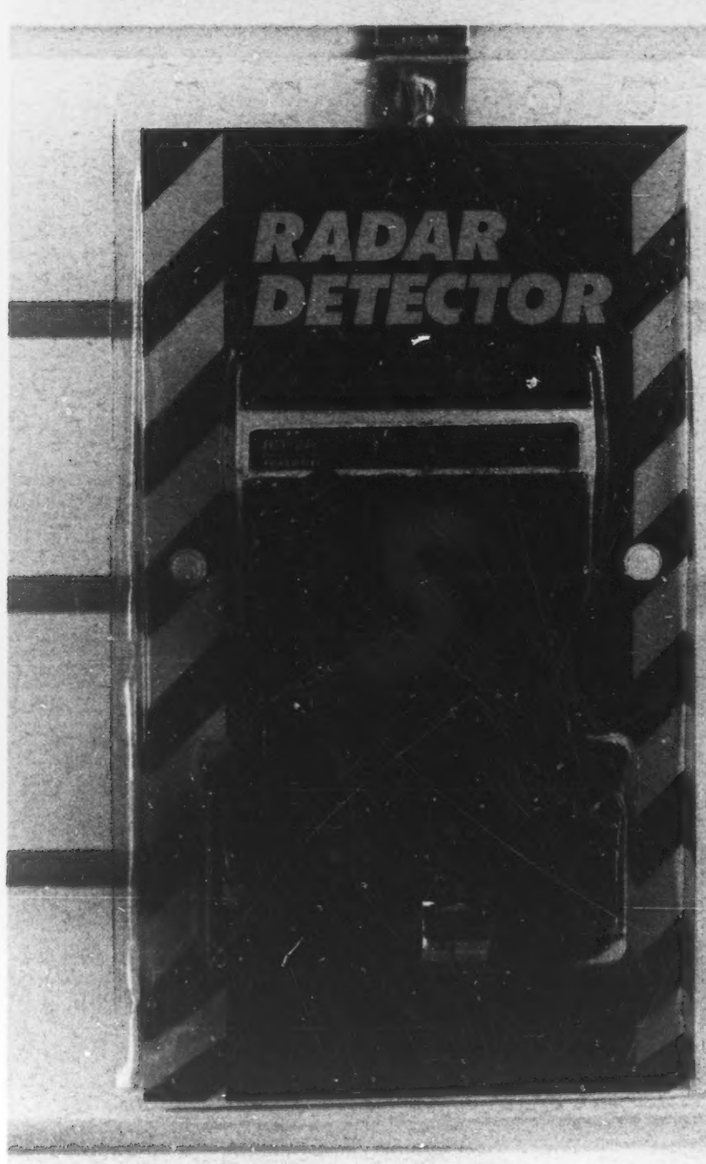

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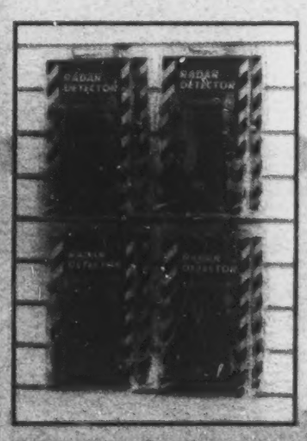

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Promotions of Upscale Products Boost Stationery Sales 28%

By Charles Bowlus
Executive VP, Sales
Boston Distributors

Stationery, school supplies and home office products surged 28 percent in sales volume in 1987 due to manufacturer promotions of higher-priced, upscale products that are boosting dollar sales and profits.

Manufacturers such as Mead, Esselte, Rubbermaid and Crayola are attempting to further drive sales by upgrading the quality of stationery products, improve packaging and create powerful merchandising presentations.

These manufacturers have learned that American consumers are willing to pay more for a better product in a more attractive package. And retailers who support programs such as Cambridge, Crayola and Supershades will achieve greater dollar sales and higher direct product profit.

The top sales increases at Boston Distributors in 1987 were led by the home office categories, specifically the flat home office product segment.

But the No. 1 stationery product overall was Esselte's hanging file folder system No. 18559, with a per unit cost of $9.87. It also topped all flat home office products on the 1987 product movement audit for the second consecutive year. Esselte also came in second with the 10-count folder—also for the second year in a row—and No. 9 with the 20-count folder.

Endcaps and ads on the Esselte folders did extremely well due to the popularity of home file cabinets and the excellent packaging of the Esselte line.

Esselte also scored well, fourth on the PMA list, with its 100-count hanging file folders, ninth with its 20-count package, and 12th with the 48-count file folder No. 40482.

The two highest ticket items in flat home office were electric pencil sharpeners, which helped drive up sales and profits in the category.

Hunt's electric sharpener took up honors with its model No. 1800, at $15.69, which placed third on the PMA. And Panasonic hit No. 5 with KP100 at $21.69, and No. 8 with KP120 at $9.87.

Another major factor in the success of the flat home office category was the upgrading of unit sales by Mead's Cambridge line. Boston Distributors' top Cambridge items were the upscale vinyl portfolios including the professional Trapper at $13.69; portfolio with binder, $9.87; letter size portfolio, $7.97; and the personal size Trapper at $11.97.

The strong packaging, higher counts and superior quality of Cambridge gave retailers an impactive home office presentation that yielded greater sales and profits resulting from higher retail prices commanded by the line.

The manufacturer who upgrades the product quality, packaging and counts of traditional flat office and typing products could meet with similar success.

An upgrading in the files and desk accessories category has had a significant impact on this category's sales in 1987.

Sentry took three of Boston's top four rankings with its Fire-Safe line of chests, files and safes. Sentry's model 1100 took the top spot with a $23.69 price point. Safe model 1250, at $119.95, came in second, and the security file model 1170, at $56.49, captured the fourth spot.

Kero's wooden 2-drawer file cabinet jumped up to the No. 3 slot, also at $56.49.

Rubbermaid captured five positions on Boston's 1987 files and desk accessories PMA, including fifth and sixth, with its Box Office in gray and slate, and Nos. 8, 11 and 14 with the Desktop System in almond, slate and smoke.

Rubbermaid will give its program a boost in 1988 with the introduction of a portable desk and a storage clipboard, both available in slate, mauve, almond and gray.

Esselte did well on the file and desk accessory chart in 1987 taking the seventh slot with its Keep-It File in yellow and No. 9 and No. 10 with File-It in brown and almond. Esselte will be moving to brighten up the department in 1988 with red, yellow, green and blue in file cabinets, file folders, file boxes and desk accessory lines.

In fact, colors continue to be the driving force behind the

(Continued on page 46)

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
WRITING INSTRUMENTS				
1	Crayola Markers Broad 7708	31,296	2.49	77,927
2	Crayola Markers Fine	28,734	2.49	71,548
3	Faber 10-Pack Pencils	142,795	0.49	69,970
4	Bic 10-Pack Pens Blue	46,924	1.49	69,917
5	Papermate 10-Pack Pens Blue	37,435	1.49	55,778
6	Crayola Markers Soft-Light Fine	22,378	2.49	55,721
7	Crayola Markers Washable	18,030	2.99	53,910
8	Bic 10-Pack Pens Black	36,166	1.49	53,887
9	Papermate 10-Pack Pens Black	34,981	1.49	52,122
10	Carter Marks-A-Lot Black	73,768	0.69	50,900
11	Crayola Markers Soft-Light Broad	19,123	2.49	47,616
12	Bic Round Stic Blue 10-Pack	35,552	1.29	45,862
13	Crayola Marker Soft-Light Washable	14,710	2.99	43,983
14	Parker Classic Pen/Pencil Set	1,931	18.99	36,670
15	Bic Round Stic Black 10-Pack	28,418	1.29	36,659
FILES, BOXES & DESK ACCESSORIES				
1	Sentry Fire Safe #1100	8,758	23.69	207,477
2	Sentry Valueguard Safe #1250	727	119.95	87,204
3	Kero Wooden 2-Drawer File	1,166	56.49	65,867
4	Sentry Fire Safe Security File #1170	1,008	56.49	56,942
5	Rubbermaid Box Office Gray	4,121	12.89	53,120
6	Rubbermaid Box Office Slate	3,833	12.89	49,407
7	Esselte Keep-It File	2,227	21.89	48,749
8	Rubbermaid Desktop System Almond	4,560	10.69	48,746
9	Esselte File-It Brown	3,488	13.88	48,413
10	Esselte File-It Almond	3,384	13.88	46,970
11	Rubbermaid Desktop System Slate	4,378	10.69	46,801
12	Tuff File I Brown	2,011	22.69	45,630
13	WPJ Insulated Security Chest	3,101	13.97	43,321
14	Rubbermaid Desktop System Smoke	4,039	10.69	43,177
15	Kero Wooden 3-Drawer File KD	642	59.87	38,437

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
FLAT HOME OFFICE PRODUCTS				
1	Esselte Hanging File Folder System 18559	23,373	9.87	220,822
2	Esselte Hanging File Folders 10-ct	26,742	4.97	133,156
3	Hunt Electric Sharpener 1800	8,256	15.69	129,537
4	Esselte File Folder 100-ct	16,789	5.69	95,529
5	Panasonic Pencil Sharpener KP100	3,753	21.69	81,403
6	Cambridge Prof. Trapper Portfolio Ntbk. 46096	5,050	13.69	69,135
7	K&M Slantring 1½" Binder SR115	12,086	5.34	64,539
8	Panasonic Electric Sharpener KP120	2,035	9.87	54,226
9	Esselte Hanging File Folder 20-ct	5,154	10.87	56,024
10	Cambridge Portfolio w/Binder 33082	5,494	9.87	54,226
11	Cambridge Prof. Portfolio Let. Sz. 33928	6,178	7.97	49,239
12	Esselte 48-ct File Folder 40482	14,323	3.28	46,979
13	Cambridge Personal Trapper Portbook 46100	3,275	11.97	39,202
14	Cambridge Address Book 07300	6,237	5.97	37,235
15	Cambridge Professional Portfolio 5x8	6,126	5.34	32,713
FLAT SCHOOL PRODUCTS				
1	Filler Paper Wide 200-ct 10200	278,625	0.69	192,251
2	Filler Paper Narrow 200-ct, 10203	190,956	0.69	131,760
3	Mead Trapper Keeper Binder 29096	20,748	5.99	124,281
4	Mead Supershades Binder 29612	17,508	5.99	104,873
5	Mead Trapper Keeper Designer Binder 29100	16,930	5.99	101,411
6	Theme Book Wide 70-ct 37670	151,170	0.49	74,073
7	Mead 5-Star 3-Subject 150-ct 11x8	13,512	3.49	47,157
8	Mead Glare Theme College 3-Subject 150-ct	14,047	2.97	41,720
9	Mead Data Center Binder 29020	6,929	5.99	41,505
10	Mead 5-Star Theme 2-Subject 100-ct 86182	16,489	2.49	41,058
11	K&M Slide Report Cover 3-Pack 47314	15,402	2.49	38,351
12	Mead Wrapper Vinyl Theme Cover 33514	21,157	2.49	36,135
13	Mead Theme Varsity 100-ct 06500	29,195	1.19	34,742
14	Mead Trapper Portfolio 2-Pack 33100	57,604	0.59	33,986
15	Mead 5-Star 5-Subject 200-ct 8x11	8,025	3.97	31,859

Source: Boston Distributors, Maple Heights, Ohio, for January through December, 1987. The company supplies 1,400 stores, including 1,000 discount stores, in the Northeast. Average retail prices reflect typical price points for mass merchandisers.

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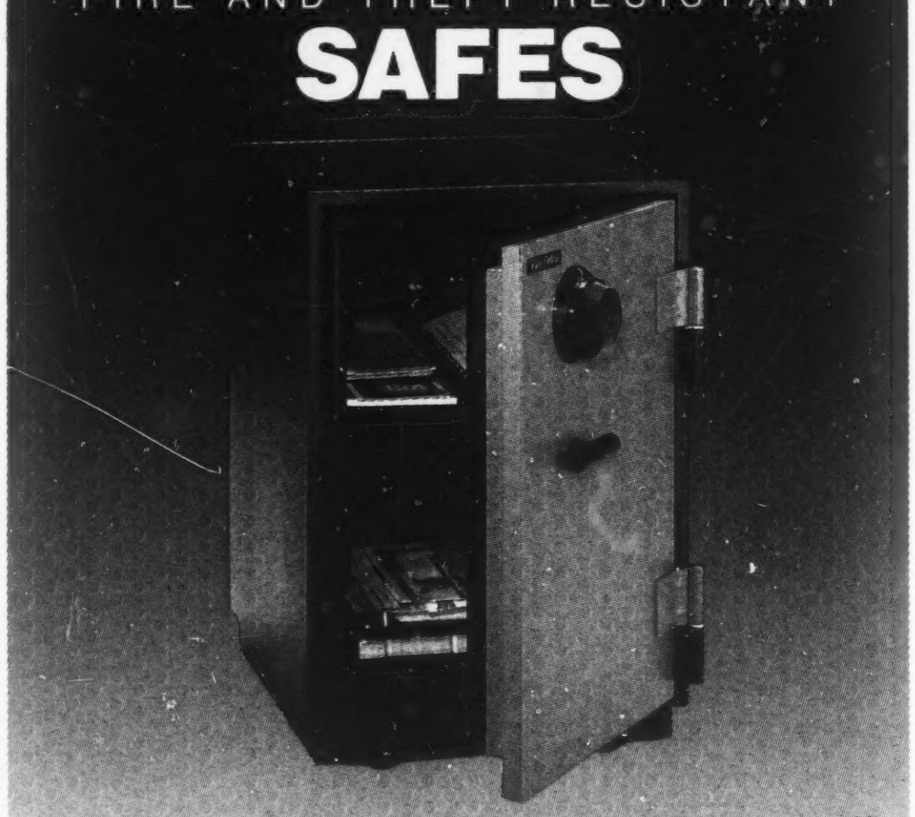

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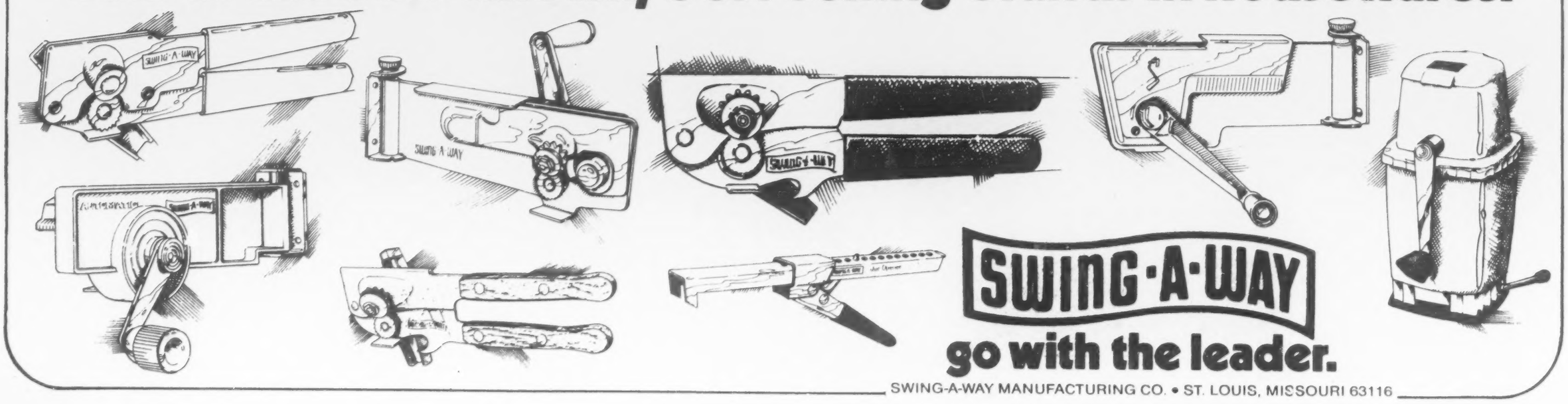

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The Crayola line, with six items in the top 15 writing instrument PMA, is effectively merchandised at K mart, Austin, Texas, with other art supplies such as glues and construction paper. (DSN photo)

Promotions of Upscale Stationery/ Home Office Goods Boost Sales 28%

(Continued from page 45)
merchandising strategies in the category with vertically segmented presentations of Esselte and Rubbermaid working well to maximize the impact of the presentation.

Crayola was the big mover on the peg wall in 1987, taking six slots on the writing instruments PMA with its marker line. It took first and second place with the regular markers, sixth and 11th with the Soft-Light markers, and seventh and 13th with the washable sku's.

The strength of the markers has enabled Crayola to expand its range of offerings to include a variety of art supplies including colorworks brushes and scissors.

The strength of the Crayola line, including crayons of course, creates a super art department when combined with glues, construction paper and poster boards. Many retailers are successfully replacing traditional art departments with this type of approach.

Bic led Boston's top commodity pen list, placing the 10-pack stick pen in the fourth and eighth positions on the writing instruments PMA. Papermate followed Bic with rankings of fifth and ninth. Bic's lower-cost round stick pen took the 12th and 15th positions.

The stick pen market appears to be coming in at about the same price levels as 1987 with Bic, Papermate and Scripto still the major players. Some retailers are beginning to question the need to stock two or even three lines of commodity pens. And if this trend continues, pricing may fall lower as the competitive environment intensifies.

Paper Prices on Rise

Commodity paper prices are coming in much higher this year than in 1987 as manufacturers are looking to upgrade non-commodity offerings and to back off from the low-profit filler paper and wirebounds. Prices are not expected to fall significantly over the next month but they should level out at least 10 percent higher than in 1987.

Filler paper again led Boston's flat school PMA in 1987 taking the top two spots. Commodity theme books were led by the 70-count book in the No. 6 spot, followed by the 100-count Varsity college rule in 13th place.

Manufacturers' efforts to upgrade their offerings to produce higher price points and profits are beginning to pay off, specifically in the case of Mead's 5-Star line.

The 5-Star 3-subject Book with a retail price of $3.49 was the No. 7 item, and the 2-Subject Book at $2.49 was 10th. The 5-subject Book at $3.97 rounded out the PMA list at No. 15.

Non-Commodities

Mead's effort to develop the higher-priced non-commodity business has also been successful in the marketing of the Supershades line which has now been expanded to include locker mirrors, memo pads and stationery in addition to binders—the No. 4 item—and theme books.

The Supershades line, when merchandised in its own 4-foot by 8-foot section, creates a strong presentation, especially if the effect is coordinated with color-merchandising in the home office area.

And in wireless notebooks, retailers earned retail prices of about 20 percent higher than on commodity paper last year, improving department profitability. Boston Distributors expects wireless books to double in sales this year. Fashion notebooks will do well, too.

Fashion offerings which look good for 1988 include Plymouth's Outback Series of cloth portfolios, themes and memos which should appeal to the Banana Republic crowd; Eurotec's geometric designs; Cosmetique, with popular nail colors for girls; and Fisher-Price should appeal to the younger set.

Mead's new entries which should do well in 1988 include the Sneaks and the Wild Things lines.

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TOYS — PRODUCT MOVEMENT AUDIT

Promotional Toys, Video Games Lead the Way for 1988 Sales

By Jeffrey C. Kasch
President
M.W. Kasch Company

The early success of new promotional toys like Coleco's Scribble Stix soap crayons, Coleco's Jamball, Galoob's extension of its Micro Machines vehicles and Fisher Price's Smooshees characters, bode well for a long-awaited turnaround in the toy industry.

Another favorable development this year is the focus on lower price points. While toy makers touted $100 dolls last year, most price points on new toy introductions this year are falling below $40.

Despite these positive developments, industry growth will remain flat for toys in 1988. There's an unhealthy environment with many retailers, manufacturers and distributors posting losses for the year. The shakeout in 1988 will result in fewer retailers, manufacturers and distributors in the industry.

Sales were down 5 percent to 20 percent in 1987 when sales from video games were stripped from toy volume.

Nintendo was clearly the top money maker in 1987. It holds a high share of the video game market and will continue to maintain that position of dominance throughout 1988.

Nintendo has been able to obtain dominance over other video game makers because of its play and graphics value, the way in which it controls software, and the unmet demand it creates.

Currently, the demand for Nintendo far exceeds the supply, with 30 out of every 100 customers left empty-handed. Atari is growing with the business while Sega is trying to fill Nintendo's void in demand.

Rather than compete with Nintendo and expand the boy's toy category, most toy vendors have geared 1988 toys for the girls, preschool and board games category.

Nevertheless, two strong contenders to take away some of the video game category sales this year will be Kenner and its introduction of Starting Lineup realistic sports figures and Mattel with its Color Racers Hot Wheels cars.

Most of the boy's action lines and attempts at interactive games last year failed.

Mattel's Captain Power, which was expected to be one of the hottest toys of 1987, could not compete with video game sales because the play value implied was never delivered. It was harder for the child to play with Captain Power than was promised.

The only two lines of the many male action figures introduced in 1987 that made a substantial profit were Kenner's Ghostbusters and Silverhawks. Ghostbusters fared well as it is more of a preschool line than a boy's action product. Silverhawks sold well because it was one of the first action lines out in the marketplace. Hasbro's G.I Joe and Transformers also produced favorable 1987 sales.

The consumer is disenchanted with licenses and high priced gimmicky toys. The industry is falling back on toys that have achieved longevity in the market.

It will again be a good year for Mattel's Barbie, fashion jewelry for girls and lines of Little Tikes and Fisher Price.

While Fisher Price's "Fun with Food" line was one of the hottest toys in 1987, insufficient supply kept the item a low dollar mover for the year.

Board games such as Games Gang's Pictionary and Bradley's Win, Lose or Draw will continue to do very well in 1988. Another winning category for 1987 that should do well in 1988 is the radio controlled vehicles such as the Nikko Jet Panther.

Hasbro's Pogo Bal, thought to be only a seasonal toy, shocked the toy industry. Sales stopped after June and July, but they suddenly took off again in the fourth quarter.

Coleco's Talking Alf was one of the few talking toys to do well last year. Cabbage Patch was the dominant doll last year and should continue to dominate in 1988. While talking Teddy Ruxpin sold well again in 1987, its 1988 success depends on Worlds of Wonder's fate as the company has filed Chapter 11.

And, based on the the Product Movement Audit, Tonka's Pound Puppies and Worlds of Wonder's Lazer Tag appear to have lost the ability to capture any attention.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	TOYS			
1	Nintendo Control Deck	40,000	79.99	3,199,600
2	Games Gang Pictionary	110,000	22.99	2,528,900
3	Hasbro G.I. Joe Figures	304,000	2.99	908,960
4	Hasbro Pogo Bal	51,000	15.99	815,490
5	Nikko RDC Jet Panther	14,000	49.99	699,860
6	Atari Video Game System	10,000	44.99	449,900
7	Bradley Scruples	29,000	14.99	434,710
8	Galoob Micro Machines Asst.	87,000	4.99	434,130
9	Coleco 21" A.L.F.	13,000	24.99	324,870
10	Pressman Wheel of Fortune	24,000	12.99	311,760
11	Kenner Ghostbusters Hero Figures	46,000	5.99	275,540
12	Kenner Silverhawks Hero Figures	39,000	6.99	272,610
13	Coleco 12" Cabbage Patch Babies	13,000	19.99	259,870
14	Bradley Win, Lose or Draw	17,000	14.99	254,830
15	Worlds of Wonder Lazer Tag	6,000	39.99	239,940
16	Coleco 16" Cabbage Patch Kids	15,000	15.99	239,850
17	Mattel Tropical Barbie	30,000	7.99	239,700
18	Hasbro Battle Beasts	79,000	2.99	236,210
19	Hasbro Visionaries Figures	33,000	6.99	230,670
20	Matchbox Rubiks Magic Puzzle	28,000	7.99	223,720
21	Kenner Ghostbusters Action Ghosts	31,000	6.99	216,690
22	Ohio Art Etch-A-Sketch	21,000	9.99	209,790
23	Worlds of Wonder Talking Teddy Ruxpin	4,000	49.99	199,960
24	Fisher-Price Magic Vac	11,000	17.99	197,890
25	Mattel Barbie New Rockers	16,000	11.99	191,840
26	Hasbro Transformers Throttlebots	47,000	3.99	187,530
27	Games Gang Pictionary Jr.	14,000	12.99	181,860
28	Parker Monopoly	18,000	9.99	179,820
29	Kenner Sky Commanders Figures	25,000	6.99	174,750
30	Tonka Pound Puppy w/Baby	10,000	16.99	169,900
31	Play-Ed Card Games Display	161,000	.99	159,390
32	Playskool Alphie	6,000	24.99	149,940
33	Fisher-Price 8" Puffalumps Easter	15,000	9.99	149,850
34	Selchow & Righter Scrabble	15,000	9.99	149,850
35	Hasbro Trans. Decept. Spec. Vehicles	25,000	5.99	149,750
36	Bradley T.H.I.N.G.S. Asst.	21,000	6.99	146,790
37	Eagle Rubber 9" Glo Playballs	148,000	.99	146,520
38	Mattel Funtime Barbie	12,000	11.99	143,880
39	Bradley Trouble	16,000	8.99	143,840
40	Worlds of Wonder Mickey Mouse	2,000	69.99	139,980
41	Galoob Sweet Secrets Cosmetics	28,000	4.99	139,720
42	Kenner Play-Doh 4-pack	55,000	2.49	136,950
43	LJN Toys Wrestlers - Good Guys	17,000	7.99	135,830
44	Bradley Hungry Hungry Hippos	9,000	14.99	134,910
45	Silly Putty	97,000	1.39	134,830
46	Bradley Mousetrap	10,000	12.99	129,900
47	Pressman Dizzy Dizzy Dinosaur	10,000	12.99	129,900
48	Hasbro Moondreamers	16,000	7.99	127,840
49	Bradley Candyland	18,000	6.99	125,820
50	Galoob Micro Machines Pocket Playset	21,000	5.99	125,790
51	Fisher-Price Wild Puffalump	6,000	19.99	119,940
52	Hasbro 7" Disney Babies	12,000	9.99	119,880
53	Mattel Lady Lovelylocks Doll	12,000	9.99	119,880
54	Fisher-Price Animal Sounds Barn	7,000	16.99	118,930
55	Bradley Life	9,000	12.99	116,910
56	Matchbox Superchargers	39,000	2.99	116,610
57	International Game Uno Game	25,000	4.49	112,250
58	Kenner Silverhawks Villain Figures	14,000	7.99	111,860
59	Mattel Puffling Poppies	14,000	7.99	111,860
60	Mattel Tropical Miko	14,000	7.99	111,860
61	Panosh Zap-It	16,000	6.99	111,840
62	Matchbox Convoy Asst.	28,000	3.99	111,720
63	Mattel New Rockers Barbie	10,000	10.99	109,900
64	Coleco 16"Cabbage Patch Talking Kids	1,000	109.00	109,000
65	Coleco 48" Toboggan	12,000	8.99	107,880
66	Bradley Pig Pong	7,000	14.99	104,930
67	Hasbro Trans. Autobot Spec. Vehicles	21,000	4.99	104,790
68	In-Tech Lolo Bal	8,000	12.99	103,920
69	Hasbro Little Pony Twice As Fancy	17,000	5.99	101,830
70	Hasbro Little Pony Twinkle Eyed Asst.	17,000	5.99	101,830
71	Tyco Ind. Radio Control Turbo Hopper	2,000	49.99	99,980
72	Coleco Cabbage Patch Cornsilk Kids	4,000	24.99	99,960
73	Buddy L Phaser Force Battle Set	5,000	19.99	99,950
74	Fisher-Price Farm Playset	5,000	19.99	99,950
75	Fisher-Price Super Skillet Breakfast Set	5,000	19.99	99,950
76	Bradley Jitters	10,000	9.99	99,900
77	Hasbro G.I. Joe Cobra Wolf Vehicle	10,000	9.99	99,900
78	Hasbro Little Pony Newborn Twins	10,000	9.99	99,900
79	Supertoy 10-oz. Filled Gum Bank	20,000	4.99	99,800
80	Bradley Operation	9,000	10.99	98,910
81	Kenner Fun Factory	14,000	6.99	97,860
82	Bradley Big Ben Puzzle	34,000	2.79	94,860
83	Matchbox Motor City	19,000	4.99	94,810
84	Tonka Baby Keypers	19,000	4.99	94,810
85	Kenner Play-Doh Gadgets	31,000	2.99	92,690
86	Bradley Bed Bugs	7,000	12.99	90,930
87	Bradley Feed Me	7,000	12.99	90,930
88	Playskool Sesame St. Busy Poppin' Pals	7,000	12.99	90,930
89	Fisher-Price Pop-Up Playhouse	3,000	29.99	89,970
90	Mattel Jewel Secrets Barbie	6,000	14.99	89,940
91	Mattel Jewel Secrets Whitney	6,000	14.99	89,940
92	Fisher-Price Little Mart Playset	6,000	14.99	89,940
93	Enertech Motorized Water Hawk Gun	9,000	9.99	89,910
94	Fisher-Price Time Jammers	9,000	9.99	89,910
95	Hasbro Little Pony Princess Ponies	10,000	8.99	89,900
96	Hasbro Little Pony Baby Ponies	15,000	5.99	89,850
97	Playskool Mr. Potato Head	18,000	4.99	89,820
98	Galoob Sweet Secrets Jewelry	20,000	4.49	89,800
99	Mattel Tropical Ken	11,000	7.99	87,890
100	Tomy Corp. Wee Waterfuls	23,000	3.79	87,170
101	Fisher-Price Bubble Mower	5,000	16.99	84,950
102	Tonka Keypers	7,000	11.99	83,930
103	Tonka Maple Town Families	7,000	11.99	83,930
104	Worlds of Wonder Books/Tapes Pre-Pack	7,000	11.99	83,930
105	Galoob Micro Machines Book Play Set	9,000	8.99	80,910
106	Kenner Spirograph-Plus	9,000	8.99	80,910
107	Parker Clue (VHS) VCR Game	2,000	39.99	79,980
108	Bradley Torpedo Run	4,000	19.99	79,960
109	Selchow & Righter Trivial Pursuit	4,000	19.99	79,960
110	Parker Nerf Indoor Golf	5,000	15.99	79,950

Source: M.W. Kasch Company, Mequon, Wis., for Jan. 1 to Dec. 31, 1987. The company supplies 2,000 stores, including approximately 765 discount stores in 30 Midwestern and Western states.

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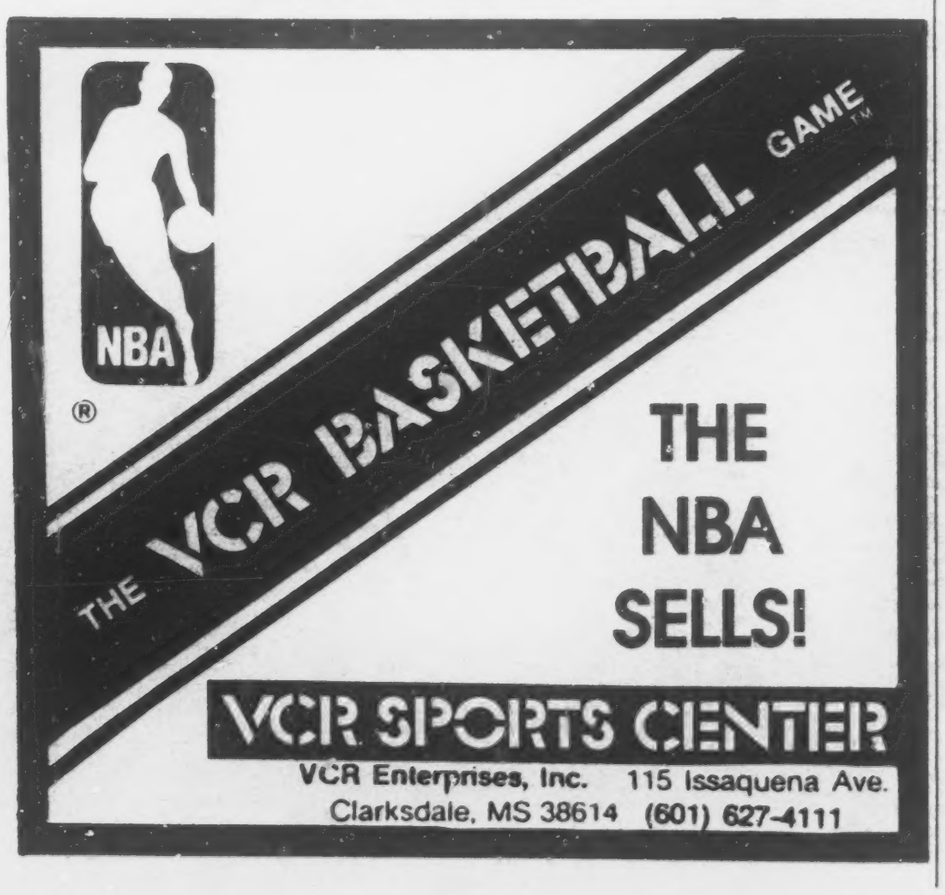


Firearm Sales Revival Powers Sporting Goods

By Frank Katlin
Vice Chairman
Maurice Sporting Goods

Very strong firearm sales and a resurgence of outdoor activities keyed a strong sporting goods year in 1987, and the outlook for 1988 is more of the same.

In a year that won't go down in retail record books, sporting goods as a category was one of mass merchandisers' three or four bright spots, posting modest but significant gains in virtually all product areas.

Merchandise Turn

Unseasonably mild weather throughout most of the country last February and March gave retailers an early boost, and may have provided many with an extra merchandise turn in 1987.

Even as the stock market rose, consumers exhibited uncertainty about the economy in general, and that may have led to augmented sporting goods sales. In addition, manufacturers maintained strong price-point positions, keeping the products very affordable. Of these issues, only consumer uncertainty seems to remain in 1988. But more on that topic later.

Convincing Comeback

After seven or eight consecutive lackluster years, firearms staged a convincing comeback. Two years of effort in cleaning up inventories paid off, as demand stepped up and a new wave of product moved through a clean pipeline. Promotionally priced products, like the Marlin 605 rifle with scope and the Remington 870 Express shotgun, led the way.

The Remington was the season's hottest product, its sales limited only by limited supply. The Remington shotgun will probably retain its popularity this year, but supplies will still be outstripped by demand—production has not been increased and supplies will remain tight.

The fishing tackle market was, along with camping equipment, the area most affected by the terrific weather last spring.

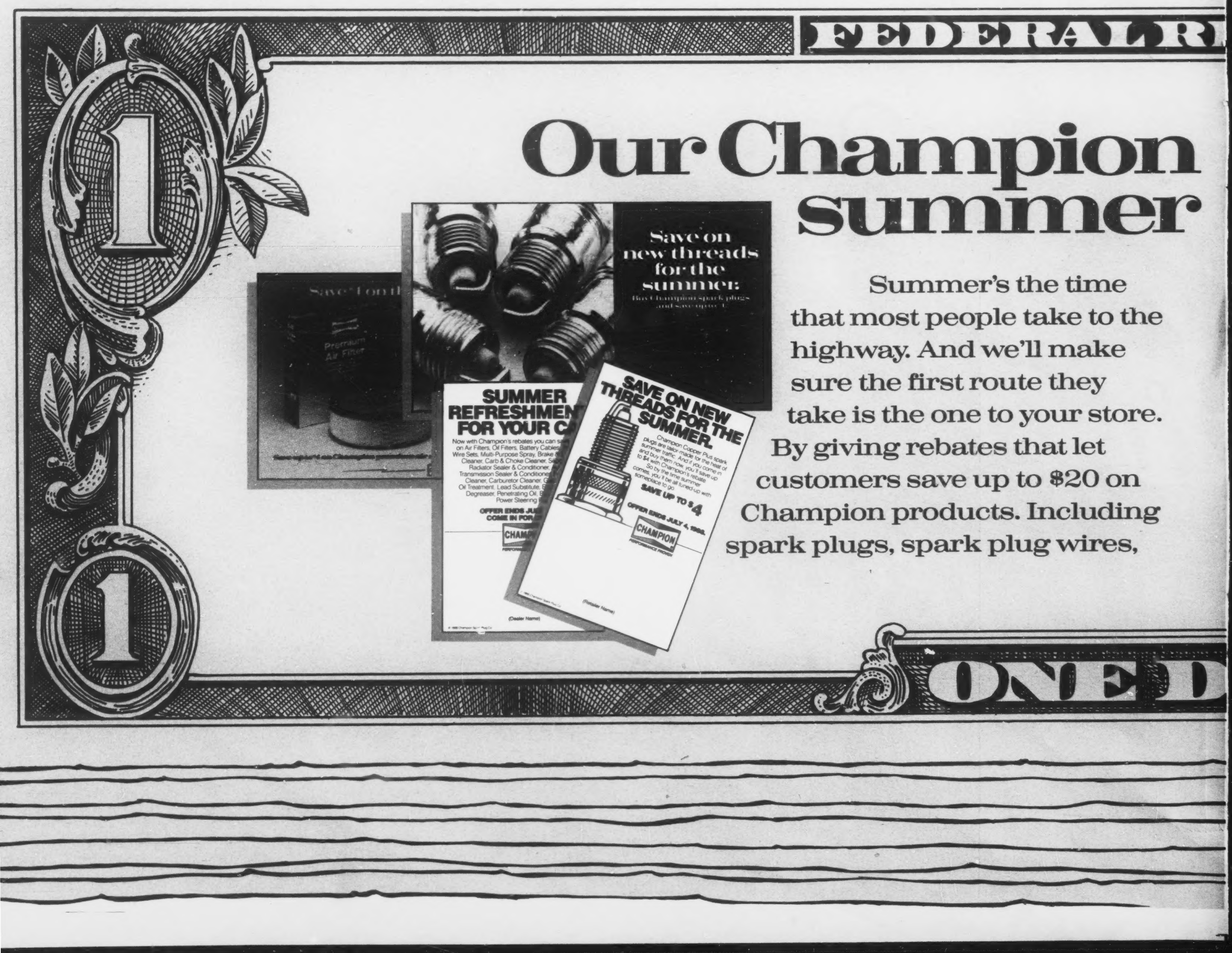
But the improved sales reflected more than just a string of warm, sunny weekends. Mass merchandisers were stronger than ever in serving specialty markets.

Where once they were content to offer generic fishing equipment, many retailers have chosen to exploit lucrative regional specialties. Coastal retailers, for instance, have strengthened their saltwater combos, and sales of Johnson Crappie combos were very strong. The geographic approach also showed up in sharply focused terminal tackle assortments.

Another sales stimulant was the exploitation of the kid's market. Apart from attracting fishermen of the future to the sport, these promotional efforts racked up some significant sales for several chains. Ames, for instance,

(Continued on page 51)

Sales of firearms, seen here at K mart, Metairie, La., surged in 1987, reflecting increasing interest in outdoor activities and a clearing of the inventory pipeline. Promotional shotguns and budget rifle/scope combos spearheaded the revived category. (DSN photo)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Sharper Firearms Inventories Stimulate Sporting Goods Sales

(Continued from page 50)
ran a very successful endcap promotion, and several other major discounters were highly promotional with beginners' combos.

The Zebco Snoopy/Mickey kits were the most obvious beneficiaries of this promotional blitz, but several low-cost kits turned in some impressive sales numbers as well.

Improving Products

Overall, manufacturers of fishing equipment continued to improve the cosmetics of their products as well as their "bells and whistles" quotient, which certainly helped sales. But it was the strong price stance that most appealed to casual fishermen. At anywhere from $12.99 to $21.99 for a solid rod and reel combo, fishing equipment remains one of the greatest bargains in the marketplace and the consumer seems to know it.

Despite the negation of many of the factors that made 1987 a strong year, 1988 looks to be very nearly as favorable for sporting goods sales.

Fishing and hunting are both in strong growth cycles (along with most outdoor activities) and even slumping areas like fitness equipment seem to have rallied. Even without the boost retailers got from last spring's mild weather, spring sales for 1988 should be strong.

Growth this year will be accomplished in the face of short supply, rising prices and an uncertain economy. As of May 1, in most cases (and June 1 in many others), prices in most product areas will increase 7 percent to 9 percent. For some manufacturers, this is their first mid-season price increase ever; for most, it's something they haven't done for years.

This will be on top of the annual price increases next fall, which will run between 5 percent and 8 percent. Taken together, the price hikes will total about 15 percent, the largest across-the-board raise ever in the category. Although many manufacturers have held off raising prices (or settled for very small increases), consumers will not be happy.

Most of the increase is due to fluctuating prices in the Orient and the weakness of the dollar against other currencies, and that situation is bound to get worse. Additionally, rising demand has created severe shortages in some areas, which in turn has boosted prices of imported goods further.

Despite a jump in price, sports equipment will remain a good value. Historically, manufacturers have hiked prices less often than was common in most other industries, and while a sudden jump may scare off some customers in the short term, the overall value of outdoor activities will bring them back.

Also, since the brunt of most of the increases will not be felt until 1989, the dampening effect on 1988 sales should be minor.

Future Sales

The most important issue in discussing future sales appears to be the increasingly competitive promotional ability of the mass merchandiser. More than ever before, discounters are giving a wide range of sporting goods consumers what they're looking for. Today, that means sharp prices, wide selection and a focused, regionalized assortment, and discounters seem to be getting better and better at providing those qualities.

$ Rank	Item	Unit Movement	Average $ Retail	Total $ Movement
	FIREARMS			
1	Marlin Rifle w/Scope - #60S	17,500	79.99	1,399,825
2	Ruger 22-cal Rifle - 10/22	9,000	119.99	1,079,910
3	Remington 870 Express Shotgun	5,200	179.99	935,948
4	Marlin Lever Action Rifle - 336CS	4,000	199.99	799,960
5	US Repeating 12-ga Shotgun - G120385A	2,000	179.99	359,980
6	CUA Single Shot	5,000	65.99	329,950
7	Marlin 22-cal Rifle - 25S	4,000	79.99	319,960
8	US Repeating 12-ga Winchoke - G1203RC	700	199.99	139,993
9	Taurus 9-mm Pistol	525	249.99	131,245
10	Taurus Model 66 Pistol	500	159.99	79,995
	FISHING			
1	South Bend Spincast Kit - C105	85,700	9.99	856,143
2	Zebco Spincast Kit - 1245	52,000	14.99	779,480
3	South Bend Deluxe Tackle Kit - Kit 90	97,500	7.99	779,025
4	Zebco Spincast Reel 33	45,000	14.99	674,550
5	South Bend Spinning Kit - C305	65,000	9.99	649,350
6	Zebco 33/South Bend Spincast Combo	25,700	21.99	565,143
7	Johnson Crappie Pro Combo	24,200	19.99	483,758
8	Zebco Snoopy/Mickey Spincast Kit	35,500	12.99	461,145
9	Plano Phantom Tackle Box - 1464	23,000	17.99	413,770
10	Normark Fillet Knife - BPFNF	45,200	8.99	406,348
11	Plano 3 Tray Tackle Box - 7300N	45,500	7.99	363,545
12	Mitchell Spin Reel - 300A	16,500	21.99	362,835
13	Ryobi V-Mag 3 Casting Reel	14,500	24.99	362,355
14	Johnson Crappie Pro Spincast Reel - 230CP	21,000	14.99	314,790
15	Ryobi Saltwater Combo SX4	12,500	24.99	312,375
16	Zebco Classic Spin Reel	14,000	21.99	307,860
17	Daiwa AGS88/South Bend Spincast Combo	18,500	12.99	240,315
18	Daiwa Spin Kit - J1350	11,500	19.99	229,885
19	Johnson Century Spincast Reel - 235CP	17,500	12.99	227,325
20	Daiwa Jupiter Series Rod - 1400	17,000	9.99	169,830

Source: Maurice Sporting Goods, Chicago, for calendar 1987. Maurice supplies 25,000 sporting goods outlets, 72% of them discount stores, in 45 states.

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DOLLAR

Office Products Megastores Creating New Specialty Niche

(Continued from page 1)
dium-sized businesses relocating away from metropolitan areas; retailers' infatuation with specialty retailing; and the change from a two-step to a one-step distribution system that has allowed retailers to squeeze out more profits for themselves while delivering products at discount prices.

"People have begun to recognize the potential of this new business," said one industry observer, adding that it is "a special entity that has found a way to milk costs out of distribution and be profitable."

In an industry that didn't exist two years ago, there are currently 11 discount office products companies operating stores in at least 10 states.

Staples, Newton, Mass., was the first to hit the market. It debuted in May 1986 and now has 11 stores. By the end of April, Staples will be a 16-unit chain, and by year-end, 24 Staples stores will be open.

The list of players is growing rapidly. Discounters K mart and the G.C. Murphy division of Ames Department Stores recently announced their entrances into this field under the names Office Square and Office Shop Warehouse, respectively.

In recent weeks, discount office products stores have opened in Chicago, Pittsburgh and New York City. Before long, units will open in Charlotte, Va., Dallas, Minneapolis, Cleveland and St. Louis.

Other discount office supply stores, also known as "megastores" for their comparatively large size compared to traditional office supply stores, include: Office World, Great Neck, N.Y.; Office Depot, Boca Raton, Fla.; Office America, Richmond, Va.; Office Club, Concord, Calif.; Bizmart, Arlington, Texas; Office Station, Dallas; Office Max, Cleveland; and WORKplace, St. Petersburg, Fla.

Deep discount office products stores furnish customers with a wide array of office products from paper to facsimile machines at prices discounted up to 75 percent. Products are sold in bulk or single packages from steel racks or traditional gondolas.

Mainly, the stores are located in suburban areas and service small and mid-sized businesses, home office customers and consumers.

In general, the megastores range from 13,000 square feet to 20,000 square feet and offer between 2,000 and 7,000 sku's. The merchandise ranges from typical office products such as paper and paper clips to computer-related merchandise like diskettes. Some carry office furniture. Services such as delivery, special orders, catalog shopping, copying and printing are available for an additional fee so as not to affect the everyday low pricing structure.

While some office supply retailers may call themselves "no frills" operators, the label describes the in-store presentation more than the offering of services. But even that has changed as more companies enter the field and adjust their product mix and services to accommodate customers.

Staples is now testing a catalog phone order and delivery service at its West Springfield, Mass., store. And under a special licensing agreement with Egghead Discount Software, a Bothell, Wash.-based software retailer, 1,500-square-foot computer software departments are being added to many Staples stores. The first of these is in Staples' Weymouth, Mass., store.

Staples executives are so confident in this new retailing form that they are planning to take the two-year-old company public next year, said Todd Krasnow, vice president of marketing.

So far the growth of office products stores has been unimpeded by competition. But within the next 12 to 18 months, all that will change, observed Sid Doolittle, a partner in the Chicago retail consulting firm of McMillan and Doolittle. The top 150 markets can support four such units, Doolittle said, estimating that in the next five to seven years, about 600 deep discount office supply stores should be operating in this country.

Perhaps the first example of head-to-head competition will be in Chicago next year. Office World, which just opened its first store in Lombard, Ill., a Chicago suburb, will face Staples when the industry pioneer enters the Windy City.

"We will be a national chain of stores starting with Chicago," said Office World president Stephen Appel.

Appel feels the burgeoning office supply business will take 50 percent of the total office products business in the next five years because "people want to save money and are willing to inconvenience themselves to do it."

CD Sells U.S. Catalog Division to Asian Electronics Vendor

(Continued from page 1)
Semi-Tech Microelectronics, listed on the Hong Kong Stock Exchange, has developed a close relationship with the Shenzhen Electronic Group, the largest consumer electronics manufacturer and trading company in China. SEG is a Semi-Tech shareholder and its chairman is a director of both Semi-Tech and International Semi-Tech.

Seiden said International Semi-Tech executives have expressed "a clear commitment" supporting CD's multifaceted rehabilitation plan. Its key steps are:

- Opening more Consumer Express stores, the company's new format (see *DSN*, Nov. 9, 1987, page 1) which feature self-service mass displays using warehouse-type fixturing except in the jewelry, photo and consumer electronics serviced departments.
- Adding POS equipment and other retail technology in traditional showrooms to keep the highest possible in-stock position. POS terminals are scheduled to be in all stores within 15 months, he said.

"Semi-Tech's technology and research and development background could be valuable to us and assist our program in the retail technology area," he said.

While the new parent is heavily involved in sourcing and distributing goods from the Orient, it is unlikely that the cataloger would become a major outlet for this merchandise, he added.

CD, like other catalogers, plays up brands in CE, photo, and small appliances, three key traffic-pulling categories. International Semi-Tech doesn't supply name brands in these areas, Seiden acknowledged "so the opportunities for us to buy this merchandise [from International Semi-Tech] are limited."

However, he added the cataloger would consider buying merchandise from its new parent "on its merits: If the products are timely, the price and quality are right and a consistent supply is available."

Semi-Tech (Far East) will use its own funds and bank debt to buy CD, said Bob Day, International Semi-Tech's director of administration. While the company plans to supply the retailer with merchandise sourced from China and other Far Eastern countries, the categories and assortment in the stores wouldn't be substantially altered, nor would their management, headed by Seiden, be changed, he said.

The company is purchasing the American cataloger's assets at net book value, estimated to be about $100 million, and is assuming $40 million in liabilities, mainly the cataloger's accounts payable. CD (Canada) will get the difference between the two figures, expected to be about $60 milllion—$50 million in cash and $10 million in redeemable preferred International Semi-Tech stock.

Besides selling CD (U.S.), which broke even on $280 million in sales last year, Provigo plans to turn CD (Canada) and its subsidiary Toy City toy chain into franchised operations, similar to its Canadian franchised supermarkets.

Eight Canadian CDs and one Toy City store have already been franchised, with sales in the showrooms running 15 percent to 20 percent higher than when the units were owned by the company, said Craig L. Judson, Provigo's vice president, finance.

The sales agreement also provides for International Semi-Tech and Provigo to "cooperate closely for the development of supply sources" in China for Provigo's supermarkets and CD (Canada).

James Ting, International Semi-Tech's president and ceo, said acquiring CD was "consistent with International Semi-Tech's objective to broaden its revenue base and to capitalize on its long-term relationship with the People's Republic of China."

Pierre Lortie, Provigo chairman and ceo, said "the association with a company that has close working and financial relationships with the largest consumer electronics manufacturer and trading company in the People's Republic of China opens promising procurement opportunities and, in view of the evolution of the world economy, is of significant value."

Provigo sold CD (U.S.) because "it wasn't 100 percent happy with its performance," and because "it didn't measure up to our standards in areas like return on investment," Judson said.

The American cataloger's break-even performance on $280 million in sales last year compared with $327.7 million in volume and a profit of $780,000 in the previous year.

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Vol. 27, No. 8 April 11, 1988

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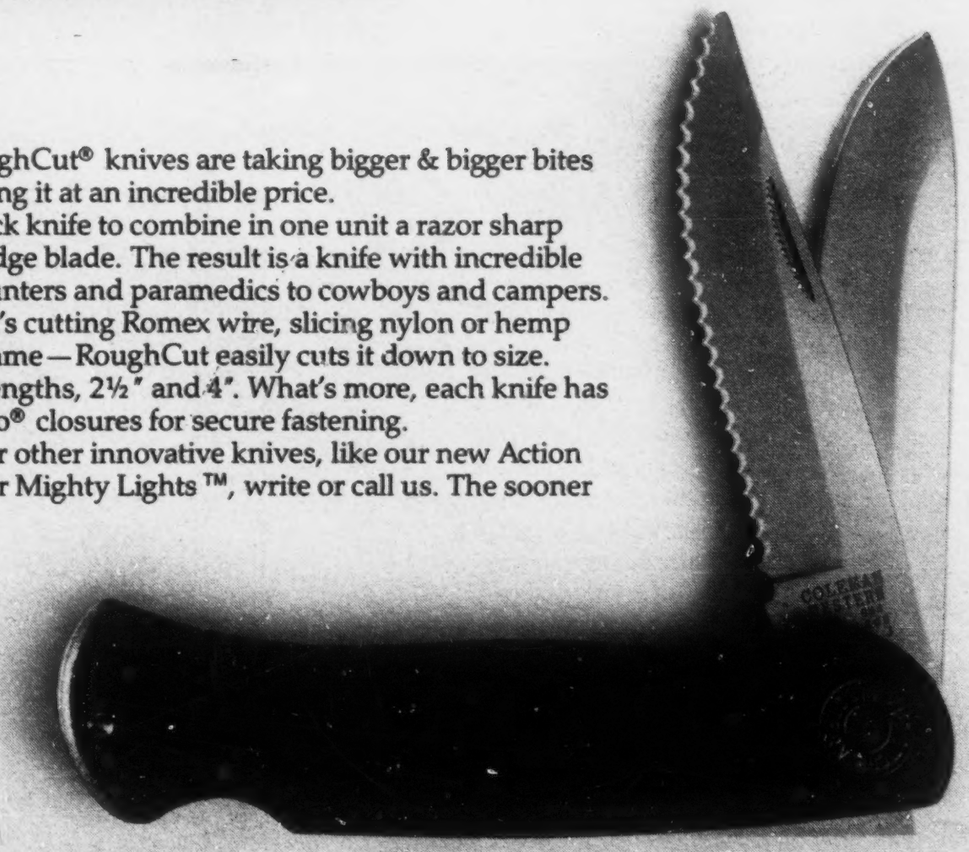

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Discount Store News®

THE NEWSPAPER OF DISCOUNT RETAILING

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American Fare Hypermarket Eyes Year-End Debut in Atlanta Suburb

TROY, Mich. — American Fare, K mart's foray into hypermarket retailing, will be located in Stone Mountain, Georgia, a suburb just east of Atlanta, according to company officials.

K mart projects $90 million in first-year sales for the 240,000-square-foot hypermarket, a conservative figure considering that Wal-Mart's Hypermart USA in Dallas is currently on course to reach its target of $100 million in first-year sales.

"We are hoping for a late 1988 opening," said the spokesman, but he added that "it [the opening] could be after the first of the year."

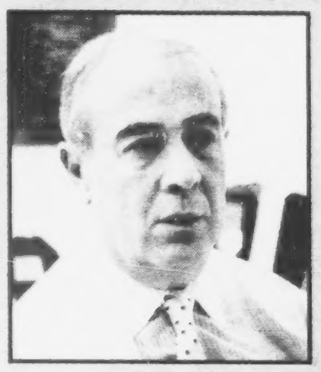
The spokesman said the store—which will include a typical hypermarket mix of food, apparel and general merchandise—will have approximately 60 registers. The exact percentage mix of the various merchandise categories is, however, "still on the drawing board," according to the spokesman.

He added that the hypermarket is expected to draw shopper traffic from an area up to 30-minutes drive away, and that the target customer is "typical middle America, 25 to 55 years old."

Jim Glime is chief executive officer of American Fare. Glime had been reporting to Fred Stevens, K mart's executive vice president of

(Continued on page 29)

Stevens Quits K mart To Head Fred Meyer



TROY, Mich. — In a move that took K mart officials by surprise, Frederick M. Stevens, executive vice president of specialty retailing and a K mart board director, resigned to join Fred Meyer Inc. as chief executive officer and chairman of the board.

Stevens' resignation was effective April 6, according to a terse one-page K mart release. A spokesman at Fred Meyer said Stevens was approved by the board at a meeting April 12 and started on his new job a day later. A replacement at K mart has not yet been named, but a spokesman said that a successor to Stevens might be chosen later this month.

(Continued on page 10)

Ames' Office Shop Warehouse Spearheads Specialty Focus

Ames president Peter Hollis (right) and Murphy's chief Jim McKitrick tour Office Shop, Ames' new specialty concept. (DSN photo)

By Peter Hisey

MONROEVILLE, Pa. — Ames Department Stores' first Office Shop Warehouse, which opened here late last month, offers a clue to where the $2-billion-plus discounter is headed in the '90s: modern, upscale and focused concepts.

The opening, attended by most of Ames' management team, was also the first high-profile demonstration of the importance of the company's recently acquired G.C. Murphy division, which Ames president Peter Hollis has called a "test lab" for new and innovative retail concepts.

The division, headed by president Jim McKitrick, will focus on variety store and specialty operations. Hollis noted that Office Shop is only the first of many concepts the company is developing. Office Shop is a hybrid—part warehouse and part stationery store. "We're looking for a blend of wholesale and retail," he said. "It's a little bit tricky, but I think we've captured it."

"It's a four-pronged attack," said Murphy senior vice president James Brainerd. "We're after four separate customers, and we've tailored our mix to appeal to all of them." The four, in order of importance, are small businesses, home office consumers, large commercial clients and walk-in trade.

The 15,000-square-foot store crosses the warehouse look with a more traditional discount store sensibility.

Extra wide aisles, warehouse shelving and bulk quantity packaging are typical of warehouses, but finished floors, fashion merchandising and clean, bright lighting are

(Continued on page 10)

Intensifies Commitment to Discounters

Manhattan Launches Ladies' Line

By Kenneth M. Chanko

NEW YORK — Following its successful introduction of the Manhattan men's apparel brand to the discount market, Manhattan Industries is launching Lady Manhattan — targeted to the discount customer—for holiday '88.

With this move, Manhattan Industries, the large apparel manufacturer based here, has intensified its commitment to the discount store business.

Manhattan, which was recently acquired by Salant Corp., another apparel manufacturer based here, has lined up three new licensees—About Sportswear and Land 'N Sea, both of New York, and Neuville Industries, New York and Hickory, N.C.—to manufacture Lady Manhattan products in a variety of categories, with price points aimed at discounters and national chains.

This latest entry marks a continuing trend that has seen major manufacturers reposition their well known name brands. In addition to Manhattan men's and now Lady Manhattan, McGregor and Campus recently pulled out of the department and specialty store business and are now selling those brands exclusively to mass merchants.

Fred Rothstein, president of Manhattan International, told *DSN* that he expects Lady Manhattan to do $50 million in sales its first year.

Rothstein pointed out that while Manhattan has competition from McGregor and Campus in men's wear, Lady Manhattan should have relatively clear sailing.

"There's really nobody else out there in terms of other recognizable women's brand names in apparel," said Rothstein. "Campus and McGregor are basically just men's wear."

About Sportswear will manufacture Lady Manhattan skirts, pants and other women's sportswear items. Land 'N Sea will have Lady Manhattan knit and woven shirts, blouses and other tops in junior, missy, petite and plus sizes, as well as activewear and maternity. And Neuville will manufacture casual socks.

(Continued on page 14)

Jewelcor Showrooms Face Hazy Future After LBO

By Arthur Markowitz

WILKES-BARRE, Pa. — Jewelcor president Seymour Holtzman bested his boyhood friend, company chairman Frank Cuscela, in a $62 million buyout battle for the diversified $250 million retailer.

Holtzman's successful offer leaves unsettled the future of the Jewelcor catalog division, Jewelcor's core business, which in the past accounted for over half the firm's sales.

Joseph H. Litchman, senior vice president and chief financial officer, said the company wouldn't comment on trade speculation that parts of Jewelcor Inc. would be spun off to help fund the buyout. "Everything will be studied and evaluated," he said.

He added that it was business as usual at Jewelcor and no changes in managment were anticipated. "But I can't comment on the Cuscela situation," he said.

Holtzman's corporation, S.H. Holdings, signed a definitive agreement with Jewelcor to acquire the company in a leveraged buyout at $19 a share, or about $62.7 million, for the approximately 3.3 million shares outstanding.

(Continued on page 29)

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